

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

June 10, 2002  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, Councilmembers Creighton, Davidson, Lee, Mosher, and Noble

ABSENT: None.

1. Executive Session

Mayor Marshall opened the meeting at 6:00 p.m. and announced recess to executive session for approximately 45 minutes to discuss one item of property acquisition and one item of facility security.

The study session resumed at 7:10 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Bill Serr displayed photographs of 148<sup>th</sup> Avenue near a blueberry farm depicting a problem he feels warrants the City's attention. He displayed a photograph of a broken inlet filter on 164<sup>th</sup> Avenue. He displayed another photograph in the vicinity of 14890 SE 16<sup>th</sup> Street showing a two-foot drop in the sidewalk without a barricade. Mr. Serr will continue to communicate similar issues to Council on a regular basis.
- (b) Jeffrey Belt said he and his wife will vote against the regional transportation package if it includes a sales tax increase. He feels the package should be supported with traffic/vehicle-related taxes. He would like to see more transportation choices throughout the region.
- (c) J.T. Carriuolo described her daughter's asthma in reference to her concern about air pollution and a proposal to widen I-405. She strongly supports the implementation of high-capacity transit systems. She is opposed to any sales tax increase that will generate funds for road projects.

3. Study Session

(a) Council New Initiatives

Dr. Davidson reiterated his ongoing question about bus pullout lanes for buses in Bellevue. City Manager Steve Sarkozy will let him know after King County Metro responds to City staff on this issue.

Mayor Marshall congratulated all graduating seniors of public and private high schools in the area.

(b) Issuance and Sale of Limited Tax General Obligation Bonds

Ordinance No. 5373 providing for the issuance and sale of limited tax general obligation bonds of the City in the principal amount of \$10,450,000 for the purpose of providing funds to redeem the City's Limited Tax General Obligation Bond Anticipation Note 2000 (Convention Center Land Acquisition) to finance the acquisition of a site for future expansion of the Convention Center and/or to finance improvements to the Convention Center, and to pay issuance costs; providing the date, form, terms and maturities of the bonds; providing for the annual levy of taxes to pay the principal of and interest on the bonds; providing for the sale of the bonds; and approving the Third Amendment to the First Amended Design, Construction, Financing and Operating Agreement with the Bellevue Convention Center Authority.

City Manager Steve Sarkozy said the actions outlined in Ordinance No. 5373 will enable the City to benefit from low interest rates.

Interim Finance Director Gary Ameling introduced Jay Reich, the City's bond counsel from Preston Gates and Ellis, and Rebecca Chao, financial advisor. Mr. Ameling said the City received a good response to its bond sale this morning with six bidders. The low bid was for a true interest cost (TIC) of 5.08 percent, well below the 5.28 percent projected earlier. This results in an interest savings of approximately \$345,000 over the life of the bonds. Mr. Ameling said an updated bond ordinance is provided in Council's desk packet reflecting the 5.08% interest rate.

Ms. Chao said the ratings on this bond issue are Aa1 from Moody's Investor Service and AA+ from Standard and Poor. Ordinance No. 5373 represents a Limited Tax General Obligation Bond. Only voted bond issues are eligible for a Moody's Aaa rating. Ms. Chao said the bond issue was able to achieve these highest ratings due to Bellevue's vibrant, diverse economy and the City's overall financial management and ability to handle difficult times. She noted this was the City's first Internet bond sale.

➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5373, and Mr. Lee seconded the motion.

➡ The motion to adopt Ordinance No. 5373 carried by a vote of 7-0.

Responding to Mr. Lee, Ms. Chao said her experience with Internet bond sales indicates that jurisdictions are able to receive more beneficial TIC bids than in the past.

(c) Regional Transportation Proposal and Statewide Transportation Plan

Mr. Sarkozy introduced a discussion of the regional transportation proposal prepared by the county executives of King, Pierce, and Snohomish Counties and the statewide transportation plan known as Referendum 51. Transportation Director Goran Sparrman said the presentation will provide an overview of both proposals and corridor investment options. Staff is requesting Council direction regarding Referendum 51 and comments on the regional county executives' proposal, also known as the RTID (Regional Transportation Investment District) proposal.

Diane Carlson, Director of Intergovernmental Relations, described Referendum 51, which is scheduled for the November ballot. The ballot measure contains a fixed project list and is expected to generate approximately \$7.7 billion over 10 years for transportation projects. This is largely funded by a gas tax increase as well as an increase in vehicle weight fees and a one-percent sales tax on new and used vehicles. King County will receive \$3.2 billion including \$1.8 billion for I-405 improvements. King County will receive approximately 57 percent of the highway funding. Ms. Carlson noted an estimate that King County will generate approximately 27.7 percent of this funding.

Ms. Carlson described the tri-county regional transportation plan, which includes three revenue scenarios ranging from \$14 billion to \$6 billion. Proposed revenue sources are a sales tax and vehicle license fee (through the RTID taxing authority), the existing HOV tax included in the motor vehicle excise tax (MVET), a high-capacity transit tax (unused Sound Transit sales tax and MVET), and the local transit/unused Metro sales tax. Each revenue category has specific spending restrictions. Staff estimates that East King County would receive approximately \$2.1 billion with this package.

Ms. Carlson said a decision to form the RTID will be made by the three County Councils (King, Pierce, and Snohomish) on June 19. If this package is to appear on the November ballot, a draft regional plan will be completed by the end of June or early July. Sound Transit is expected to make a decision in July regarding its participation in the plan. If Sound Transit chooses to participate, the RTID plan could be a vehicle for advancing Sound Transit Phase II projects.

Kim Becklund, Transportation Policy Advisor, reviewed Council's 20-year transportation policy objectives. In 1999, Council identified freeways, regional bus, high-capacity transit, and carpool/vanpools as essential to support the area's expected growth over the next 20 years. Based on Council's May 20<sup>th</sup> discussion, staff has revised the guiding principles for 10-year transportation implementation to reflect an interest in:

- Achieving maximum performance through strategic system investments that add capacity and reliability,
- Selecting investments that best shift regional traffic from local streets to regional corridors,
- Fixing congested areas and ensuring system continuity,
- Promising only what can be delivered within a 10-12 year period,

- Ensuring investments are consistent with public expectations and adopted growth policies.

Ms. Becklund said the RTID/County Executive proposal would assist with the completion of I-405 south end improvements, some bottleneck relief, and I-405 corridor-wide Bus Rapid Transit. The package provides full funding for two-way transit operations on I-90. For local Metro bus service, the plan adds enough service hours to fully implement the draft Six-Year Transit Plan and Bellevue Service Plan. Some funding is also provided for SR 520. Ms. Becklund provided a comparison of funding by corridor under the two transportation packages. I-405 is the best-funded corridor in both proposals.

Bernard Van de Kamp, Regional Project Manager, presented corridor investment options developed by staff based on the County Executives' mid-range proposal and Referendum 51 figures:

- I-405 Emphasis – Completes I-405 south segment, fixes bottlenecks at I-90 and other areas, provides corridor-wide Bus Rapid Transit, maintains nominal funding for SR 520, allows for full funding of two-way transit/HOV on I-90, and applies Sound Transit 2006-2009 funds to I-405.
- SR 520 Emphasis – Applies maximum available resources for SR 520 floating bridge reconstruction, provides significant (including Bus Rapid Transit) but less funding for I-405, and provides full funding for two-way transit/HOV on I-90. Applies Sound Transit 2006-2009 funds to SR 520.
- I-405 and I-90 Emphasis – Focuses Eastside resources on I-405 for congestion relief and Bus Rapid Transit, completes I-90 two-way transit/HOV operations, completes SR 520 EIS (Environmental Impact Statement) and design, and applies Sound Transit 2006-2009 funds to I-90.

Mr. Sparrman requested Council direction regarding Referendum 51 and feedback on the corridor options. Staff will continue to monitor the progress of the RTID proposal and report back to Council.

Responding to Mr. Mosher, Mr. Van de Kamp said the estimate for providing light rail or Bus Rapid Transit from Seattle's International District to Downtown Bellevue is approximately \$800 million. Mr. Mosher questioned any emergency funding for SR 520. Mayor Marshall said Aubrey Davis, Chair of the TransLake Washington Committee, is insistent that improvements to the 520 bridge be included in the RTID package. Mrs. Marshall said the cost of replacing the bridge with a six-lane facility is estimated at \$1.6 billion, or \$1.8 billion if another lane is added for future car or transit capacity.

Mr. Noble said the top two regional projects in terms of safety are the Highway 99 viaduct in Seattle and the SR 520 bridge.

Mr. Lee suggested that Council's Regional Transportation Vision, established in 1999, should be revised to reflect an emphasis on safety. He continues to advocate for the implementation of new technologies to improve transportation systems. He wants to ensure that projects funded through a ballot measure can be completed within the 10-year timeframe.

Responding to Mr. Creighton, Ms. Becklund said the County Executives' package establishes new countywide, not subarea, funding for Sound Transit. Ms. Carlson said the proposal would have to outline how the money is to be spent.

Dr. Davidson feels it is inappropriate to include funding for Sound Transit in the regional transportation package because Sound Transit receives funding through its own, separate taxing authority. He will not support the County Executives' regional package if it contains this item. Mayor Marshall noted that this issue has been heavily debated by the Eastside Transportation Partnership, many cities, and Snohomish and Pierce Counties. Dr. Davidson said the original intent of the Sound Transit/RTA ballot measure was to provide ten years of funding and to revisit the issue at that time.

Mr. Noble would support a Council resolution expressing support for Referendum 51, which he sees as a good start for transportation funding. He also supports the County Executives' regional package. Mr. Noble feels the planning effort should focus on what is good for the region as a whole. Improvements to I-90, SR 520, I-405, and the viaduct are all good for the region as a whole.

- ➡ Mr. Noble moved to direct staff to draft a resolution supporting Referendum 51, and Mr. Mosher seconded the motion.

Mayor Marshall clarified that Referendum 51 uses a 9-cent gas tax to finance statewide transportation improvements, primarily highway and HOV investments. Referendum 51 will be presented to voters on November 5.

Deputy Mayor Degginger agreed with Mr. Noble's comments encouraging a holistic approach to transportation improvements and expressed support for the motion.

Responding to Mayor Marshall, Assistant City Manager Myrna Basich explained that Council is required to take public testimony prior to Council's vote on the resolution of support for Referendum 51.

Mr. Creighton supports the package which he noted is funded primarily by a user tax in the form of a gas tax.

- ➡ The motion to direct staff to draft a resolution supporting Referendum 51 carried by a vote of 7-0.

Mayor Marshall said County Councilmembers from the three counties continue to discuss and refine the County Executives' transportation proposal. They have not yet decided to place the issue on the November ballot. The full County Councils will hold a joint meeting on June 19 in Bellevue. Mrs. Marshall requested Council feedback to guide staff's discussions on June 11 with representatives of the County Councils. She noted Council direction that safety be added as a criteria in selecting projects for the tri-county proposal.

Mr. Mosher said it is important for the ballot measure to really make a difference in terms of implementing projects. He cautioned that the safety issue could become a red herring in terms of justifying certain projects. He is not opposed to a fee to fund new capacity and “hot” lanes. He wants to be sure the regional transportation system continues to support the economy by moving goods and services. Mr. Mosher would like more information about high-capacity transit for I-90, particularly as debates about SR 520 continue.

Mr. Noble said safety on SR 520 has been a concern of the Trans Lake Washington Committee since its inception. He agreed that arguments about the future configuration of the SR 520 bridge have gone on for too long. However, he feels SR 520 should be kept as a high priority.

Mr. Creighton said it is important to keep the current momentum for SR 520 moving forward.

Mayor Marshall summarized Council’s support for a regional transportation package, although it is unclear what all might be included in the package. She noted Council consensus regarding the importance of improvements to the main corridors (SR 520, I-405 and I-90). Council has adopted official positions/interest statements for I-90 and I-405 but not for SR 520 at this point. Mayor Marshall noted Council’s interest in high-capacity transit on I-90. Council has not reached consensus about whether or not to include funding for Sound Transit in a regional package.

(d) Budget Discussion – Utilities Department and Support Services

Utilities Director Lloyd Warren reviewed the Utilities Department’s key functional areas: Water, Wastewater, Storm and Surface Water, Solid Waste, and Fleet Management and Communications. He noted that some of the department’s costs, such as the wholesale purchase of utilities, are beyond the City’s control. Wholesale purchase costs now represent almost half of the department’s budget. Mr. Warren noted the following key policy issues:

Department-identified:

- Preventative maintenance
- City’s role in stream habitat management

Council-identified:

- Utilities’ response to September 11<sup>th</sup>
- CIP Project delivery
- Utility rates
- Interdepartmental coordination

Ongoing Initiatives:

- Regional water supply
- Coal Creek Utility District
- Solid waste contract

Mr. Warren explained that preventative maintenance funds, particularly in the area of sewer maintenance, have been diverted to addressing problems as they arise. He questioned whether Council would like to maintain the current level of resources or enhance the preventative maintenance program as the City's system ages. Mr. Warren estimated an annual cost of \$130,000 for Sewer contractors to provide a number of services including root sawings and manhole inspections.

Mr. Mosher commended the Utilities Department for an 11-percent increase in citizens' satisfaction levels in a recent survey. Responding to Mr. Mosher, Mr. Warren said the filming inside pipes to detect problems is part of the overall preventative maintenance program. Some of these services are provided by staff and some are provided by contractors.

Following brief comments by Councilmembers, Mayor Marshall summarized Council's interest in understanding the relationship between the cost of preventative maintenance and the cost of paying utilities-related claims. She posed the question: If the preventative maintenance budget is increased, what is the funding source?

Moving on, Mr. Warren discussed the issue of stream habitat management. He presented the following alternatives for Council consideration: 1) maintain current level of service and respond to state and federal mandates, 2) maintain current level of service while participating in Water Resource Inventory Area 8 watershed planning (current Council direction), and 3) increase level of service to achieve a stable urban stream system.

Responding to Mr. Lee, Mr. Warren noted prior Council direction to not include habitat restoration in a parks and open space bond issue and to ask the Environmental Services Commission to address habitat restoration as part of the City's surface water program. The Commission is now questioning whether it would be appropriate to consider a more accelerated program outside the context of the WRIA 8 watershed plan.

Deputy Mayor Degginger is in favor of the City's continued involvement in the WRIA planning process. Dr. Davidson said the WRIA 8 Forum is working to finalize a near-term action agenda, which includes projects in Bellevue. Mayor Marshall noted Council consensus to continue with the current approach (#2) to stream habitat management.

Mr. Warren addressed Council's concern regarding the security of the city's water in light of the terrorist attacks of September 11, 2001. Staff is evaluating a proposal to enhance system security at an estimated capital cost of approximately \$500,000 to \$1 million. Mr. Warren said this could be accomplished in the near-term with some reprioritization of the current water capital program.

Mr. Mosher recommended enhancing water system security. Mayor Marshall noted Council concurrence to move forward with this initiative.

Mr. Warren said the Utilities Department achieved a 85% completion rate for CIP projects in 2001. Ongoing challenges include environmental issues, state and federal permitting processes, and a backlog within the Army Corps of Engineers. Projects currently experiencing a delay

include Kamber Road, the Bannerwood Stream crossing, Kelsey Creek fish ladder, and Newport Shores dredging.

Responding to Mr. Lee about delays, Mr. Warren said the City has not received a Section 7 permit through the Corps of Engineers in approximately two years. The Corps will not provide any information regarding its current priorities or reasons for delays. Mr. Warren said some cities have been funding a staff person at the Corps of Engineers in response to this problem.

Mr. Mosher suggested addressing this issue through the National League of Cities and the Association of Washington Cities. Mayor Marshall suggested contacting federal legislators as well.

Moving on, Mr. Warren said surface water infrastructure needs are currently exceeding funding level commitments. Staff recommends reprioritizing current CIP allocations and increasing CIP funding to stay within the budget. Council concurred.

Mr. Warren said utility rates are expected to continue to increase due to inflationary increases in local programs and wholesale costs. In part, costs are increasing to finance a new wastewater treatment plant and to make up for lost revenues during last year's water shortage and conservation efforts.

Dr. Davidson is frustrated that the City is caught between wholesale providers and the customers. Deputy Mayor Degginger concurred and noted that the City's reward for its 13% conservation rate last year is a 14% increase in water rates beginning next year. He would like the City to evaluate more options. Mr. Mosher likened the situation to a monopoly and suggested that utility bills include messages about increasing costs from wholesale providers.

Dr. Davidson feels short-term excuses are used to justify permanent rate increases. He suggested temporary surcharges should be used instead in times of crisis.

Mr. Warren recalled the 14.9% increase in wastewater rates last year. No increases are indicated yet for 2003 and 2004. Storm and surface water services are provided through a local program. Rates are budgeted for a 5% increase in 2003 and a 3.9% increase in 2004 to provided needed capital funding.

Responding to Mr. Noble, Mr. Warren said projected storm and surface water rates are based on a needs forecast of the infrastructure in place and its condition. A portion of the funds is allocated to debt repayment as well.

Mr. Warren said an important issue for the City is the regional water supply. A decision regarding the Lake Tapps water rights is anticipated by the end of the year. Seattle will make a decision regarding its participation in the Tacoma project (Second Supply project) by June 14.

Deputy Mayor Degginger explained that Cascade Water Alliance has been negotiating a contract with Seattle for 2-1/2 to 3 years for a long-term block of water. The pricing of the water has become a key issue in the negotiations. Issues include Seattle's long-term ability to provide



water to the Eastside and whether other options exist. The Second Supply project in Tacoma has been under consideration for approximately 15 years with the goal of providing additional water supply from the Green River. The Seattle City Council voted to support the Second Supply project last year. However, the City of Seattle has never executed the agreement because it is trying to renegotiate the agreement and gain veto power over any new water sources. The City of Tacoma provided a June 15, 2002, deadline for Seattle's decision on this matter. If Seattle decides to not participate, this could provide an opportunity for the Cascade Water Alliance to negotiate an agreement with Tacoma.

Mayor Marshall asked staff to prepare a management brief for Council summarizing ongoing water supply negotiations and activities.

Mr. Mosher said it might become necessary for Bellevue to accept short-term costs to gain long-term control of its water supply. Mr. Degginger concurred and noted that new water supplies will be necessary to support people, jobs, and fish in this region. He urged the City to explore alternatives.

Turning to the last couple of issues, Mr. Warren said final agreements for the Coal Creek Utility District merger have been signed and will become effective on December 31, 2003. The City's current solid waste contract expires on April 1, 2004. Mr. Warren said Council will make decisions regarding solid waste program modifications in the ongoing budget discussions.

At 9:34 p.m., Mayor Marshall declared a break. The meeting resumed at 9:43 p.m.

Mr. Sarkozy took a moment to commend Denny Vidmar, Utilities Assistant Director, and his staff for their participation in a King 5/TV study about pothole repair. Bellevue's policy is to respond to pothole complaints within 24 hours. Many cities respond within 48 or more hours. In King 5's investigate report to compare jurisdictions, Bellevue was the only city to respond and repair a pothole within 24 hours and one of only a few cities that responded within that city's policy guidelines. Mr. Vidmar noted that the cost of repairing a pothole is the same whether it is within 24 hours or 48 hours. He attributed Bellevue's response to its positive and supportive staff.

Mr. Sarkozy noted budget materials supplied to Council regarding Support Services provided by several departments including City Attorney's Office, City Clerk's Office, City Manager's Office, Finance, and Human Resources.

Mr. Ameling said this budget addresses the need for a new financial/human resources computer system. He invited Council questions on the written material.

Referencing the effectiveness rating for City Council, Mr. Mosher noted the absence of a similar rating system for the East Bellevue Community Council.

Mr. Creighton feels Human Resources' priority #3, performance evaluation process, should be the department's top priority. Mrs. Marshall said Council would like to review the City's merit

pay policies. Mr. Mosher commented on the benefits of a wellness program and the resulting savings in an organization's health care costs.

(e) Overview of Transportation Construction Management Practices/Staffing

Transportation Director Goran Sparrman said the City is entering a construction season that will see an unprecedented number of projects under construction.

David Berg, Transportation Assistant Director, provided an overview of the Transportation Department's construction management process. The City has experienced significant growth in the number of projects since 1996, with 14 major projects totaling approximately \$30 million currently under construction. A total of 59 projects are scheduled for construction this year.

Mr. Berg defined construction management as the broad responsibility for all project management functions. Inspection focuses on quality control and quality assurance in the field, work zone safety, and daily interactions with citizens and businesses. The contract administrator manages the business relations for projects.

➡ At 9:58 p.m., Mr. Degginger moved to extend the meeting to 10:30 p.m., and the motion was seconded.

➡ The motion to extend the meeting to 10:30 p.m. carried by a vote of 7-0.

Construction engineering encompasses construction management, inspection, contract administration, design project assistance, and public information activities. Mr. Berg reviewed the following functional areas within the Construction Division: Access Downtown project, materials testing and acceptance, CIP construction management and inspection, right-of-way inspection, commercial/private development inspection, and pavement management.

Mr. Berg discussed the Transportation Department's reorganization and review of the appropriate staffing level for construction projects. Staffing levels basically depend on the risk that an agency is willing to take with its construction management and inspection. Risk factors include the dollar value of the project, the contractor, specialty or complexity of the project, type of project, and construction timing. The project's work force and contracting method are reviewed in the design phase.

Mr. Berg reviewed the steps that occur between award of a contract and initiation of construction:

- Assignment of construction management/inspection staff, risk assessment.
- Contract paperwork completed.
- Notice to Proceed.
- Pre-construction conference provides contractor's schedule of activities.
- Start construction.

The following activities occur during construction:

- Documentation of daily activities.
- Traffic control.
- Contract administration.
- Management of contractor/consultant relations.
- Coordination of field changes.

Mr. Berg explained that all City projects are based on a unit bid price. The contractor bids a certain amount of dollars based on his or her unit of delivery of work. Typically projects fall within a range of plus or minus 25 percent. Fluctuations can trigger field changes. Another type of field change is a change order, which is based on a change or deviation from the construction contract. Change orders are negotiated and approved as they occur based on the percent change in the contract:

|         |   |
|---------|---|
| 0 – 5%  | Department Director may approve change order. |
| 5 – 10% | City Manager may approve change order.        |
| > 10%   | City Council must approve change order.       |

Change orders are tracked for each project. The steps involved in finalizing construction are:

- Issuance of Substantial Completion to contractor, and road is opened for public use.
- Completion of any outstanding “punch list” items.
- Final pay estimates and final acceptance. Five percent of every payment is retained by the City until verification that all contract items have been completed.
- Contractor/consultant evaluations.
- Warranty period typically extends for one year on all Transportation projects.

One performance measures used by the Transportation Department is construction engineering labor as a percentage of construction contract costs. Bellevue’s measure was 12 percent in 2000 and decreased to 7 percent in 2001. By comparison, the City of Redmond’s measure averages 13.3 percent and the Washington State Department of Transportation’s measure ranges from 14 to 16 percent. Mr. Berg said staff is working with ICMA (International City and County Managers Association) to obtain performance data for cities more comparable to Bellevue. He described the construction contract variance, which measures any variance from the budgeted contract amounts for all projects.

Mr. Berg said a consultant’s evaluation of the Transportation Department’s organizational structure indicated the need for an overall office engineer/construction manager. During the department’s subsequent reorganization, this function (construction project manager) was established without increasing the number of staff. The consultant’s study also identified opportunities to improve current documentation practices including the creation of checklists for required documentation. Overall, the department’s documentation practices were found to be very good and 11 of 14 recommendations have already been implemented.

Mr. Lee thanked Mr. Berg for the presentation. He encouraged staff to incorporate traffic movement as a construction management priority. Mr. Sparrman said the City works with contractors to manage traffic flow. He explained that contractors are more focused on completing the construction project. As a result, City inspectors spend significant time managing traffic flow on behalf of the contractors. The City has been working with the Police Department to develop a better approach to this problem. Referring to the presentation, Mr. Lee suggested listing traffic management as one of the activities included in overall construction management.

Mr. Mosher questioned staff's oversight of contractors and responsiveness to cost overruns and schedule delays as projects are under construction. Mr. Berg said the establishment of the construction project manager position has allowed staff to identify and respond to issues more effectively.

➡ At 10:25 p.m., Mr. Degginger moved to extend the meeting to 11:00 p.m., and Mr. Mosher seconded the motion.

➡ The motion to extend the meeting to 11:00 p.m. carried by a vote of 7-0.

Deputy Mayor Degginger asked whether contracts could include more specific expectations of contractors with regard to traffic management. Mr. Sparrman said contracts include provisions about traffic management and inspectors work to enforce these provisions. The difficulty is that traffic control personnel are hired by and report to the construction contractor. It can be a lengthy process for the inspector to gain cooperation and compliance at a project site.

Responding to Mr. Degginger, Mr. Berg did not know of a situation in which the City withheld partial payment due to a contractor's failure to provide traffic management services. However, last week the City issued a stop work order to a contractor who failed to comply after a warning.

Responding to Mr. Degginger, Mr. Sarkozy said staff could provide a brief weekly update of ongoing construction projects but he cautioned against adding to the workload of busy staff. Mr. Degginger said one sentence on each project should be sufficient.

(f) 148<sup>th</sup> Avenue Project Status and Financing Plan

Mr. Berg recalled Council's endorsement in April 2001 of a preferred alternative for the 148<sup>th</sup> Avenue project. He noted a number of City and state projects in the vicinity of 148<sup>th</sup> Avenue and I-90, which will ultimately improve overall traffic flow.

Nancy LaCombe, Project Manager, said staff continues to refine the 148<sup>th</sup> Avenue project design. Staff is working with Bellevue Community College to develop entry alignments and parking lots modifications. The current CIP budget for the project is \$1.6 million, and \$400,000 have been spent to date. Total project expenditures are expected to be \$6.8 million, reflecting a budget shortfall of \$5.2 million. This represents a reduction from the previously estimated shortfall of \$7.3 million. Bellevue Community College has agreed to contribute approximately

\$1.25 million for related improvements within campus boundaries. The City will provide design and construction documents and BCC will pay for the construction.

Responding to Mr. Lee, Ms. LaCombe said the City will not be responsible if BCC's project costs turn out to be higher than anticipated. BCC will have the option to modify the City's design if the cost exceeds \$1.25 million, however.

Ms. LaCombe proposed reallocating funds from the following three other projects to cover the 148<sup>th</sup> Avenue budget shortfall: 150<sup>th</sup>/Eastgate Way, Meydenbauer Bridge, and 124<sup>th</sup> Avenue SE. The memorandum of agreement (MOA) between the City and BCC will be presented for Council approval on July 1. Phase 1 construction is scheduled to begin this July and end by the fall. Phase 2 design will be completed in October and construction will occur next summer.

Deputy Mayor Degginger praised staff for their work with BCC to coordinate this project.

- ➡ Mr. Degginger moved to direct staff to reallocate General CIP revenue from CIP Plan Nos. PW-I-86 (150<sup>th</sup> Avenue SE/Eastgate Way), PW-M-11 (Meydenbauer Bridge replacement), and PW-R-129 (124<sup>th</sup> Avenue SE improvements) to the 148<sup>th</sup> Avenue project. Mr. Lee seconded the motion.
- ➡ The motion to direct staff to reallocate General CIP revenue from CIP Plan Nos. PW-I-86 (150<sup>th</sup> Avenue SE/Eastgate Way), PW-M-11 (Meydenbauer Bridge replacement), and PW-R-129 (124<sup>th</sup> Avenue SE improvements) to the 148<sup>th</sup> Avenue project carried by a vote of 7-0.
- ➡ Deputy Mayor Degginger moved to direct staff to: 1) continue to negotiate the Memorandum of Agreement with Bellevue Community College, and 2) continue to aggressively pursue finding from the 2002 Countywide TEA-21 Fund Distribution and the 2002 Transportation Improvement Board (TIB) funds. Mr. Noble seconded the motion.
- ➡ The motion to direct staff to: 1) continue to negotiate the Memorandum of Agreement with Bellevue Community College, and 2) continue to aggressively pursue finding from the 2002 Countywide TEA-21 Fund Distribution and the 2002 Transportation Improvement Board (TIB) funds carried by a vote of 7-0.

Mayor Marshall declared the meeting adjourned at 10:46 p.m.

Myrna L. Basich  
City Clerk

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